

PAVILLON HOLDINGS LTD

Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2015

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Financial statements for year ended 31 December 2015

	Group		
	January - December 15	October 13 - December 14 ⁽¹⁾ (Restated) ⁽²⁾	Increase/ (Decrease)
	S\$'000	S\$'000	%
Continuing operation			
Revenue	13,326	17,130	(22)
Other items of income			
Interest income	199	1,194	(83)
Other income	153	333	(54)
Items of expenses			
Raw materials and changes in inventories	(4,561)	(5,610)	(19)
Personnel costs	(7,408)	(8,602)	(14)
Depreciation expenses	(756)	(969)	(22)
Net foreign exchange (loss)/gain	(3)	231	NM
Other expenses	(2,966)	(3,656)	(19)
(Loss)/profit before taxation (Note 1)	(2,016)	51	NM
Income tax expense (Note 2)	(60)	(204)	(71)
Loss after taxation from continuing operation	(2,076)	(153)	NM
Loss after taxation from discontinued operation	(149)	(962)	(85)
Loss for the year	(2,225)	(1,115)	100
Other comprehensive income			
Foreign currency translation gain	256	85	NM
Total comprehensive income attributable to owners of the Company	(1,969)	(1,030)	91
Earnings per share attributable to owners of the Company	Cts	Cts	
Basic	(0.57)	(0.35)	63
Diluted	(0.57)	(0.35)	63

Notes to Income Statement

NM : Not meaningful

⁽¹⁾ Comparative amounts for the prior year have been restated to reclass the amount relating to the disposal of the discontinued operation to a separate line, "loss after taxation from discontinued operation", in the income statement.

⁽²⁾ Previous financial period was of 15 months ended 31 December 2014 against current financial year of 12 months ended 31 December 2015.

Note 1: Loss before taxation is stated after (crediting)/charging the following:-

	Group		
	January - December 15	October 13 - December 14	Increase/ (Decrease)
	S\$'000	S\$'000	%
Impairment loss on property, plant and equipment	64	-	NM
Property, plant and equipment written off	-	3	(100)
Gain on disposal of property, plant and equipment	-	(155)	(100)
Interest income	(199)	(1,194)	(83)

Note 2: Taxation

	Group		
	January - December 15	October 13 - December 14	Increase/ (Decrease)
	S\$'000	S\$'000	%
Income tax expense is made up of:-			
On results for the financial year:			
-Current income taxation	65	214	(70)
-Deferred income taxation	-	18	(100)
	65	232	(72)
Over provision in respect of prior years:-			
-Current income taxation	(5)	(28)	(82)
-Deferred income taxation	-	-	NM
	(5)	(28)	(82)
Total	60	204	(71)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediate preceding financial year.

ASSETS**Non-current assets**

Property, plant and equipment
Investments in subsidiary
companies
Trade debtors
Other debtors
Deposits

Total non-current assets**Current assets**

Stocks
Trade debtors
Other debtors
Deposits and prepayments
Amounts due from subsidiary
companies (trade)
Amounts due from subsidiary
companies (non-trade)
Cash and bank balances

Assets of disposal group classified as
held for sale

Total assets**EQUITY AND LIABILITIES****Current liabilities**

Trade creditors
Other creditors and accruals
Franchise deposits
Deferred rental income
Deferred revenue
Income tax payable

Liabilities directly associated with
disposal group

Net current assets

	Group	
	31/12/2015	31/12/2014
	S\$'000	S\$'000
Property, plant and equipment	2,320	3,174
Investments in subsidiary companies	-	-
Trade debtors	3,953	-
Other debtors	60	62
Deposits	240	528
Total non-current assets	6,573	3,764
Current assets		
Stocks	1,292	1,539
Trade debtors	1,109	30
Other debtors	54	145
Deposits and prepayments	228	161
Amounts due from subsidiary companies (trade)	-	-
Amounts due from subsidiary companies (non-trade)	-	-
Cash and bank balances	32,548	41,383
	35,231	43,258
Assets of disposal group classified as held for sale	2,983	-
Total assets	44,787	47,022
EQUITY AND LIABILITIES		
Current liabilities		
Trade creditors	576	634
Other creditors and accruals	1,495	1,563
Franchise deposits	-	30
Deferred rental income	12	12
Deferred revenue	-	1,609
Income tax payable	-	325
	2,083	4,173
Liabilities directly associated with disposal group	2,000	-
Net current assets	34,131	39,085

	Company	
	31/12/2015	31/12/2014
	S\$'000	S\$'000
-	-	3
29,682	29,682	3,014
-	-	-
60	60	62
-	-	-
29,742	29,742	3,079
-	-	-
18	18	16
24	24	45
9	9	42
1,368	1,368	1,329
1,165	1,165	1,171
9,134	9,134	37,474
11,718	11,718	40,077
-	-	-
41,460	41,460	43,156
-	-	-
572	572	521
-	-	30
-	-	-
-	-	-
-	-	263
572	572	814
-	-	-
11,146	11,146	39,263

	Group	
	31/12/2015	31/12/2014
	S\$'000	S\$'000
Non-current liabilities		
Deferred tax liabilities	128	128
Franchise deposits	110	80
Provisions	90	280
Deferred rental income	-	16
Total non-current liabilities	328	504
Total liabilities	4,411	4,677
Net assets	40,376	42,345
Equity attributable to owners of the Company		
Share capital	39,433	39,433
Reserve fund	-	684
Reserve of disposal group classified as held for sale	881	-
Foreign currency translation reserve	(115)	(174)
Revenue reserve	135	2,360
	40,334	42,303
Non-controlling interests	42	42
Total Equity	40,376	42,345
Total Equity and Liabilities	44,787	47,022

	Company	
	31/12/2015	31/12/2014
	S\$'000	S\$'000
	-	-
	110	80
	-	-
	-	-
	110	80
	682	894
	40,778	42,262
	39,433	39,433
	-	-
	-	-
	-	-
	1,345	2,829
	40,778	42,262
	-	-
	40,778	42,262
	41,460	43,156

1(b)(ii) Aggregate amount of group's borrowings and debt securities.
Nil.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	January - December 15	October 13 - December 14
	S\$'000	S\$'000
Cash flow from operating activities :		
(Loss)/profit before taxation from continuing operation	(2,016)	51
Loss before taxation from discontinued operation	(149)	(962)
Adjustments for :		
Impairment loss on property, plant and equipment	64	82
Property, plant and equipment written off	-	147
Depreciation of property, plant and equipment	771	1,117
Stocks loss	22	-
Interest income	(256)	(1,279)
Impairment loss on trade debtors	-	104
Gain on disposal of property, plant and equipment	-	(155)
Translation differences	222	(59)
Operating loss before working capital changes	(1,342)	(954)

	Group	
	January - December 15	October 13 - December 14
	S\$'000	S\$'000
(Increase)/decrease in :		
Stocks	(57)	440
Trade debtors	(5,047)	(18)
Other debtors, deposits and prepayments	113	52
Increase/(decrease) in :		
Trade creditors	103	(314)
Other creditors and accruals	39	(190)
Cash flow used in operations	(6,191)	(984)
Taxes paid	(468)	(222)
Net cash flow used in operating activities	(6,659)	(1,206)
Cash flow from investing activities		
Interest received	228	2,996
Purchase of property, plant and equipment	(69)	(1,844)
Proceeds from disposal of property, plant and equipment	-	155
Proceeds from disposal of subsidiary	-	-
Loan repaid	-	6,000
Net cash flow generated from investing activities	159	7,307
Cash flow from financing activities		
Share placement proceeds	-	24,840
Net cash flow generated from financing activities	-	24,840
Net increase / (decrease) in cash and cash equivalents	(6,500)	30,941
Effect of exchange rate changes on cash and cash equivalents	27	139
Cash and cash equivalents at beginning of the financial year	41,383	10,303
Cash and cash equivalents at end of the financial year	34,910	41,383

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Reserve fund	Revenue reserve	Foreign currency translation reserve	Reserve of disposal group classified as held for sale	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
2015	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2015	39,433	684	2,360	(174)	-	42,303	42	42,345
Loss for the financial year	-	-	(2,225)	-	-	(2,225)	-	(2,225)
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	-	256	-	256	-	256
Other comprehensive income for the financial year, net of tax	-	-	-	256	-	256	-	256
Total comprehensive income for the financial year	-	-	(2,225)	256	-	(1,969)	-	(1,969)
<u>Contributions by and distributions to owners</u>								
Transfer to reserve fund	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-
<u>Others</u>								
Reserve attributable to disposal group classified as held for sale	-	(684)	-	(197)	881	-	-	-
Balance as at 31 December 2015	39,433	-	135	(115)	881	40,334	42	40,376

	Share capital	Reserve fund	Revenue reserve	Foreign currency translation reserve	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
2014	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2013	14,593	684	3,475	(259)	18,493	42	18,535
Loss for the financial year	-	-	(1,115)	-	(1,115)	-	(1,115)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	85	85	-	85
Other comprehensive income for the financial year, net of tax	-	-	-	85	85	-	85
Total comprehensive income for the financial year	-	-	(1,115)	85	(1,030)	-	(1,030)
<u>Contributions by and distributions to owners</u>							
Transfer to reserve fund	-	-	-	-	-	-	-
Share placement proceeds	24,840	-	-	-	24,840	-	24,840
Total contributions by and distributions to owners	24,840	-	-	-	24,840	-	24,840
Balance as at 31 December 2014	39,433	684	2,360	(174)	42,303	42	42,345

Company	Share capital	Revenue reserve	Total equity
	S\$'000	S\$'000	S\$'000
2015			
Balance as at 1 January 2015	39,433	2,829	42,262
Loss for the financial year	-	(1,484)	(1,484)
Total comprehensive income for the financial year	-	(1,484)	(1,484)
<u>Contributions by and distributions to owners</u>			
Share placement proceeds	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance as at 31 December 2015	39,433	1,345	40,778

	Share capital	Revenue reserve	Total equity
	S\$'000	S\$'000	S\$'000
2014			
Balance as at 1 October 2013	14,593	2,860	17,453
Loss for the financial year	-	(31)	(31)
Total comprehensive income for the financial year	-	(31)	(31)
<u>Contributions by and distributions to owners</u>			
Share placement proceeds	24,840	-	24,840
Total contributions by and distributions to owners	24,840	-	24,840
Balance as at 31 December 2014	39,433	2,829	42,262

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

<u>Issued Share Capital</u>	No. of shares	Capital (S\$)
Balance as at beginning of the year	387,748,700	39,433,461
Balance as at end of the year	387,748,700	39,433,461

There is no outstanding convertibles and treasury shares as at the end of the current financial year and as at the end of the previous financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

Number of issued shares excluding treasury shares	2015	2014
As at beginning of the current financial year	387,748,700	207,748,700
Share placement	-	180,000,000
As at end of the current financial year	387,748,700	387,748,700

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

<u>Treasury shares</u>	2015	2014
Balance as at beginning and end of the current financial year	-	-

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.
The figures have neither been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).
Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been
The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year as compared to the audited financial statements as at 31 December 2014, except for the adoption of new and revised Financial Reporting Standards (FRS) which became effective for periods beginning on or after 1 January 2015.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There are no changes in the accounting policies and methods of computation since the previous financial year.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	2015	2014
Profit per ordinary share for the financial year after deducting any provision for preference dividends:-	Cts	Cts
(a) Based on the weighted average number of ordinary shares on issue; and	(0.57)	(0.35)
(b) On a fully diluted basis	(0.57)	(0.35)
(To disclose the basis used in arriving at the weighted average number of shares for the purposes of (6)(a) above and to provide details of any adjustments made for the purpose of (6)(b) above)		

Note to 6 (a) and 6 (b)

Basic and fully diluted earnings per share are calculated by dividing the Group's loss after taxation, amounting to \$2.2m (2014: \$1.1m) by the weighted average number of ordinary shares in issue as at 31 December 2015 of 387,748,700 (31 December 2014: 321,184,149) shares.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:- (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at 31/12/2015	As at 31/12/2014	As at 31/12/2015	As at 31/12/2014
	Cts	Cts	Cts	Cts
Net asset value per ordinary share based on existing issued share capital as at the end of the financial year reported on.	10.41	10.92	10.52	10.90

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Turnover and earnings

Total revenue of the Group decreased by approximately \$3.8m as compared to the previous financial year (PFY) mainly due to the change in financial year end to 31 December which resulted in a 15 month period for the PFY. Cost of raw materials used decreased by approximately \$1.0m, in line with the lower sales reported for the current financial year (CFY). Gross profit margin decreased slightly to approximately 66% mainly due to increase in raw material cost. Interest income decreased by approximately \$1.0m mainly due to repayment of loan receivable in the PFY. Other income decreased by approximately \$0.2m mainly due to gain on disposal of motor vehicle recognised in the PFY.

Personnel costs decreased by approximately \$1.2m, depreciation expenses decreased by approximately \$0.2m and other operating costs decreased by approximately \$0.7m mainly due to the longer PFY. Foreign exchange gain of \$0.2m in the PFY turned into a small foreign exchange loss in the CFY mainly due to strengthening of RMB against SGD in the PFY but not in the CFY. Profit before taxation (PBT) from continuing operations of \$0.1m in the PFY turned into a loss of \$2.0m, mainly due to loan interest income, foreign exchange gain, franchise fee and gain on disposal of motor vehicles which were recognised in the PFY, but not present in the CFY.

Singapore

Revenue from Singapore restaurant operations decreased by approximately \$3.8m as compared to the previous financial year mainly due to the longer PFY and lower monthly sales recorded as a result of keen competition in the F&B industry. PBT from restaurant operations of \$0.2m in the PFY turned into a loss before taxation of \$0.3m mainly due to lower sales. PBT from management services of approximately S\$0.1m in the PFY turned into a loss before taxation of approximately \$1.4m, mainly due to lower interest income, absence of franchise fee income and lower management fee income as a result of slower restaurant sales.

People's Republic of China

Revenue from restaurant operations decreased by approximately \$1.1m as compared to the PFY mainly due to the longer PFY and closure of Qibao outlet in Shanghai. Loss before taxation from restaurant operations decreased by approximately \$0.8m mainly due to losses incurred by Qibao outlet before its closure in FY 14. The Group disposed of its restaurant operations in the PRC in February 2016.

Franchise operations

Franchise income decreased by approximately \$0.3m mainly due to absence of franchise fee and lower royalties income as a result of closure of a franchise outlet each in Shanghai and Indonesia during the year. The 2 restaurants in the PRC that the group disposed off in February 2016 has become franchise outlets. The Group now has 2 franchise outlets in Vietnam and 3 in the PRC.

Leasing operations

Leasing operations commenced business during the financial year. Loss before taxation increased by approximately \$0.1m as compared to the PFY mainly due to increase in manpower costs. The Group has relocated its leasing operations from Jinan to Tianjin and has also newly set up a joint venture company in Beijing.

Discontinued operations

Loss after taxation from the PRC restaurant operations which were subsequently disposed in February 2016, have been classified as discontinued operations.

Balance sheet and cash flow review

Non-current assets increased by approximately \$2.8m mainly due to trade receivables from leasing business of approximately \$4.0m being off-set by decrease in property, plant & equipment of approximately \$0.9m as a result of depreciation expenses charged during the year. There is no significant purchase of property, plant & equipment during the year.

Current assets decreased by approximately \$5.0m mainly due to approximately \$4.0m increase in non-current trade leasing receivables. Current liabilities decreased by approximately \$0.1m mainly due to decrease in income tax payable as a result of losses incurred during the CFY.

Assets and liabilities associated with restaurant operations in the PRC, have been classified as held for sale. These were subsequently disposed in February 2016.

Net cash flow used in operating activities increased by approximately \$5.5m as compared to the PFY mainly due to increase in cash used for trade receivables of approximately \$5.0m, taxes paid of approximately \$0.2m and increase in operating loss before working capital changes of \$0.4m. Net cash flow generated from investing activities decreased by approximately \$7.1m mainly due to \$6m loan repayment and \$3m interest received in the PFY being off set by purchase of property, plant & equipment of approximately \$1.8m made in the PFY.

Share placement proceeds utilisation

Share placement fund received

S\$'000

S\$'000

24,840

Fund utilised:

Purchase of equipment for lessee

(5,977)

Operating expenses of leasing business

(390)

Total fund utilised

(6,367)

Unutilised placement fund as at 31 December 2015

18,473

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The actual results are in line with the general prospect commentary previously disclosed in the half-year results announcement for the financial period ended 30 June 2015.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The food and beverage industry in Singapore is expected to remain competitive and challenging. Management will continue to explore opportunities to expand the leasing business and invest in the region. The Group has completed the disposal of restaurant business in the PRC in February 2016.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended):

No dividend has been declared or recommended.

(b) (i) Amount per share : Not applicable.

(ii) Previous corresponding period : None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from the shareholders for Interested Person Transaction ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

The Group has not obtained any general mandate from shareholders for IPT pursuant to Rule 920.

Part II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3, or Half-Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

2015	Restaurant operations S\$'000	Restaurant management services S\$'000	Leasing operations S\$'000	Elimination S\$'000	Notes	Group S\$'000
Turnover						
-external sales	18,151	119	242	(5,186)	A	13,326
-inter-segment sales	-	2,236	-	(2,236)	B	-
	<u>18,151</u>	<u>2,355</u>	<u>242</u>	<u>(7,422)</u>		<u>13,326</u>
Interest income	57	94	105	(57)	A	199
Property, plant and equipment written off	-	-	-	-		-
Depreciation of property, plant and equipment	(686)	(3)	(82)	15	A	(756)
Stock loss	(22)	-	-	22	A	-
Impairment loss on trade debtors	-	-	-	-		-
Impairment loss on property, plant and equipment	(64)	-	-	-		(64)
Segment loss	<u>(403)</u>	<u>(1,422)</u>	<u>(340)</u>	<u>149</u>	C	<u>(2,016)</u>
Additions to non-current assets	69	-	-	-	D	69
Segment assets	7,857	38,014	27,672	(28,756)	E	44,787
Segment liabilities	4,611	682	358	(1,240)	F	4,411
2014	Restaurant operations S\$'000	Restaurant management services S\$'000	Leasing operations S\$'000	Elimination S\$'000	Notes	Group S\$'000
Turnover						
-external sales	22,962	490	-	(6,322)		17,130
-inter-segment sales	-	2,830	-	(2,830)	A	-
	<u>22,962</u>	<u>3,320</u>	<u>-</u>	<u>(9,152)</u>	B	<u>17,130</u>
Interest income	85	1,194	-	(85)	A	1,194
Property, plant and equipment written off	(147)	-	-	144	A	(3)
Gain on disposal of property, plant and equipment	155	-	-	-		155
Depreciation of property, plant and equipment	(1,080)	(11)	(26)	148	A	(969)
Impairment loss on trade debtors	(104)	-	-	104	A	-
Impairment loss on property, plant and equipment	(82)	-	-	82	A	-
Segment (loss)/profit	<u>(781)</u>	<u>(35)</u>	<u>(247)</u>	<u>1,114</u>	C	<u>51</u>
Additions to non-current assets	1,381	13	447	-	D	1,841
Segment assets	8,983	32,588	374	5,077	E	47,022
Segment liabilities	4,863	642	46	(874)	F	4,677

Geographical information

	Revenue		Non-current assets	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Singapore	12,976	16,725	1,978	2,647
People's Republic of China	5,413	6,322	437	527
Others	123	405	-	-
Discontinued operation	(5,186)	(6,322)	(95)	-
	<u>13,326</u>	<u>17,130</u>	<u>2,320</u>	<u>3,174</u>

Non-current assets information presented above consists of property, plant and equipment as presented in the consolidated balance sheet.

Note A

The amounts relating to the disposal has been excluded to arrive at amounts shown in profit or loss as they are presented separately in the income statement within one line item, "loss after taxation from discontinued operation"

Note B

Inter-segment revenues are eliminated on consolidation.

Note C

The following items are deducted from segment profit to arrive at profit before tax presented in the consolidated income statement:

	2015 S\$'000	2014 S\$'000
Profit from inter-segment sales	-	962
Elimination of impairment of investment in subsidiaries	149	152
	<u>149</u>	<u>1,114</u>

Note D

Additions to non-current assets consists of additions to property, plant and equipment.

Note E

The following items are added to / (deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	2015 S\$'000	2014 S\$'000
Unallocated corporate assets	3,505	10,782
Inter-segment assets	(32,261)	(5,705)
	<u>(28,756)</u>	<u>5,077</u>

Note F

The following items are added to / (deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2015 S\$'000	2014 S\$'000
Income tax payables	-	325
Deferred tax liabilities	128	128
Inter-segment liabilities	(1,368)	(1,327)
	<u>(1,240)</u>	<u>(874)</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to note 8 for commentary.

16. A breakdown of sales.

	Group		
	2015	2014	Changes
	S\$'000	S\$'000	%
Sales reported for first half-year	9,749	10,103	(4)
Operating (loss)/profit after tax before deducting minority interests reported for first half-year	(997)	228	NM
Sales reported for second half-year	8,764	13,349	(34)
Operating loss after tax before deducting minority interests reported for second half-year	(1,228)	(1,343)	(9)

* Sales and operating loss reported for the second half-year of FY 2014 consists of 9 months of results (April 2014 to December 2014).

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Note 1

	2015	2014
	S\$	S\$
Ordinary	-	-
Preference	-	-
Total:	-	-

Note 1 : No dividends declared during the year.

Please refer to para 11 on dividends.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no relative of a director or chief executive officer or substantial shareholder of the issuer who is occupying a managerial position in the issuer or any of its principal subsidiaries.

BY ORDER OF THE BOARD

John Chen Seow Phun

Executive Chairman

23-Feb-16